

COYOTE VALLEY SPECIFIC PLAN

JANUARY 10, 2005

Financial Feasibility

Economic and Planning Systems

Coyote Valley Specific Plan



Public Infrastructure and Land

- Two components to public facilities:
 - Land Dedication (~37%)
 - Financing of Public Improvements
- Land Dedication
- Infrastructure Burden Allocation
- Next Steps

General Approach to “Fair Share” Land Dedication

1. Calculate each landowner’s “fair share” of public land requirement
2. Coordinate land dedication with overall infrastructure financing program
3. Establish credit/debit balance to property owners for land dedications
4. Establish valuation methodology for dedicated land

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Table 1
Estimated Land Development Program for the Urban Area
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Land Use	Acreage (1)	Proportion
Private	2,260	62.6%
Public		
Schools	100	
Parks	239	
Open Space	738	
Municipal Facilities	2	
Major Roads/Transit ROW	<u>274</u>	
Subtotal	1,353	37.4%
Total	3,613	100.0%

(1) Acreage totals do not include 171 acres of existing public land.

Source: Dahlin Group

Infrastructure Financing Issues

1. Numerous types of infrastructure are required:
 - Public Facilities (parks, open space, police/fire, schools, etc.)
 - Backbone Infrastructure (CVSP-serving streets, water/sewer, etc.)
 - In-Tract Infrastructure (within CVSP sub areas)
2. Different types and densities of development place different burdens on infrastructure.
3. Oversizing of early infrastructure likely to be required.
4. First phase must be sized to support initial required infrastructure.

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Infrastructure Cost Allocation and Feasibility Analysis

- Cost of infrastructure and public facilities will be allocated based on market value and demand/benefit
- Cost burdens by land use will be tested for financial feasibility
- Feasibility test will be used to refine:
 1. Land use program
 2. Public facility program
 3. Cost allocations
 4. Financing strategies

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Table 2
Summary of Preliminary Infrastructure Costs
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Item	Estimated Total Infrastructure Costs	Estimated Project-Funded Infrastructure Costs (1)
Transportation	\$493,306,000	\$447,814,000
Sewer System	30,437,000	30,437,000
Water System	189,145,000	82,203,000
Storm Drainage	142,967,000	142,967,000
Utilities	18,073,000	18,073,000
Coyote Valley Research Park	37,400,000	37,400,000
Parks and Schools	475,000,000	475,000,000
Public Facilities (2)	25,000,000	25,000,000
Greenbelt Preservation (3)	15,000,000	15,000,000
Public Land Acquisition (4)	50,000,000	50,000,000
Public Financing Costs (5)	<u>191,923,000</u>	<u>172,106,000</u>
Estimated Total Costs	\$1,668,251,000	\$1,496,000,000

(1) Total costs reduced by estimated contribution from outside financing sources.

(2) Preliminary estimate of fire, police and library facilities, subject to formulation of a service plan.

(3) Preliminary estimate of greenbelt land/easement acquisition.

(4) Land Acquisition estimate of net additional costs above dedications, for preliminary feasibility purpose

(5) Equal to 13% of total infrastructure costs (10% reserve fund and 3% transaction costs).

Sources: HMM Engineers; Dahlin Group; Economic & Planning Systems, Inc.

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Table 3
Preliminary Cost Allocation
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Category	Total Project-Funded Costs Per Unit/Land SF (1)	Total Project-Funded Costs Per Acre (1)
Residential	\$55,000	\$850,000
Mixed Use	N/A	\$661,000
Commercial	\$4.70	\$205,000
Entire Project Average		\$664,000

(1) Total Costs reduced by estimated contribution from outside financing sources.

Sources: HMM Engineers; Dahlin Group; Economic & Planning Systems, Inc.

Table 4
Preliminary Feasibility Measures
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Category	Total Project-Funded Costs Per Acre	Improved Land Value per Acre Required to Achieve 3:1 Ratio (1)	Preliminary Estimated Current Market Value per Acre
Residential	\$850,000	\$2,550,000	\$2.0-\$2.6 million
Mixed Use	\$661,000	\$1,983,000	\$1.6-\$2.1 million
Commercial	\$205,000	\$615,000	\$610,000-\$870,000
Entire Project Average	\$664,000	\$1,992,000	N/A (2)

(1) Provided as a general measure of project feasibility. City policy requires a 4:1 ratio for bond issuance, which will likely be used to fund a portion of the costs.

(2) Market value for the entire project is dependent on a number of factors, including phasing, and cannot be estimated at this time.

Source: Economic & Planning Systems, Inc.

Financing: Next Steps

- Finalize Land Use Plan and Infrastructure Program
- Allocate Cost Burdens
- Test Feasibility and Make Adjustments
- Establish Methodology For Public Land Dedication/Compensation
- Develop Detailed Financing and Implementation Program
 - Phasing
 - Building
 - Fees
 - Other Sources
- Property Owners Meetings/Consensus Building

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